

11.14.00.00 - OUTDOOR ADVERTISING SIGNS

11.14.01.00 General

Rental of existing outdoor advertising signs shall be handled like any other new rental account. Property Management shall receive the MOS and the R/W Contract for the sign interest on the acquired parcel.

11.14.02.00 Prohibition Against New Signs

New outdoor advertising signs shall not be permitted on state-owned properties under any circumstances, regardless of whether the properties are considered excess or are being held for future highway use.

11.14.03.00 Sign Site Rental Procedures and Rates

All sign site rentals shall be prorated as of the day following the date the deed to the state is recorded or the day following the date the state secures legal possession, whichever occurs first. The R/W Contract shall provide that the sign company prorates rental payments to both the state and to the state's grantor. Should the sign be located partially within the right of way and partially on the remainder, the state's rental agreement shall reflect only the amount of money payable to the state.

Billboard site rental rates shall be based on the Billboard Site Rental Schedules (Exhibit 11-EX-28) or the existing rental rate, whichever is greater.

11.14.04.00 Billboard Site Rental Schedules

Billboard site rental rates are determined by the type of billboard and the number of advertising sign faces in place on a site, and by multiplying the advertising rate by the appropriate percentage shown on the Billboard Site Rental Schedule (Exhibit 11-EX-28). Determination of rental rates shall be documented in the rental account file.

Outdoor advertising companies publish advertising rates for Poster Panels and Urban "Rotates." The rates are normally published for each calendar year,

but may be changed more often. Current rates for posters or rotating bulletins may be obtained by asking the sign company for a rate card for the type and location of the sign involved.

Locations in the rate books are general in nature, such as Los Angeles Metro Market, San Francisco, and Oakland/San Jose Metro Market. Examples of published advertising rate formats are shown on Exhibit 11-EX-29.

Site rental rates are determined by multiplying the advertising rate times the percentage shown on the Billboard Site Rental Schedules (Exhibit 11-EX-28) for each advertising sign face on a site as shown in Exhibit 11-EX-29.

11.14.05.00 Advertising Structure Agreement

The sign owner shall be required to sign RW 11-4, Advertising Structure Agreement, in triplicate. The agreement shall be executed on the state's behalf in accordance with Section 11.12.06.00.

Historically, advertising rates used to determine sign site rental rates have increased in much larger yearly increments than increases indicated by consumer price indexes. The standard lease term for an Advertising Structure Agreement, therefore, is 2 years. If a sign company wishes to enter into an agreement for more than 2 years, a clause should be included in the agreement to increase the rent 10% per year after the first 2 years. This ensures a reasonable increase in the rental rate during the extended term.

New advertising structure agreements shall not extend for more than 5-year periods without prior DD or authorized delegate approval.

11.14.06.00 Sign Rent Delinquencies

Delinquencies that occur on sign rentals shall be treated the same as any other type of rental delinquency.

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